

## **Brisio Innovations Inc. (formerly known as Netco Silver Inc.)**

Management's Discussion and Analysis

September 30, 2014

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This following management's discussion and analysis ("**MD&A**") for Brisio Innovations Inc. was prepared by management based on information available as at November 28, 2014. It should be reviewed together with the unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2014 (the "**Interim Financial Statements**"), and the MD&A and audited annual consolidated financial statements for the year ended December 31, 2013. The Company's quarterly unaudited condensed interim consolidated financial statements and the year end audited annual consolidated financial statements are filed on SEDAR and are available for review at [www.sedar.com](http://www.sedar.com).

As used in this MD&A, the terms "we", "us", "our", "Brisio" "the Group" and "our Company" mean Brisio Innovations Inc. and our subsidiaries, Green River Petroleum (USA) Inc., a Washington corporation, and Netco Argentina S.A., an Argentinean corporation unless the context clearly requires otherwise.

Unless otherwise noted, all dollar amounts are expressed in Canadian dollars ("**C\$**" or "**\$**") and any references to common shares are to common shares in the capital of Brisio Innovations Inc., unless the context clearly requires otherwise.

### **Forward-Looking Statements**

Certain information in this MD&A and the documents incorporated by reference contain forward-looking statements, which includes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks described in the section titled "Risk Factors" commencing on page 14 of this MD&A, that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits we will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company and its subsidiaries; investment objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for our products; our plans for, and results of, exploration and development activities; our treatment under governmental regulatory and tax laws; competitive advantages; business prospects and opportunities; costs and timing of developmental new projects; our management's assessment of future plans and operations; our anticipated liquidity and various matters that may impact such liquidity; and requirements for additional capital.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this MD&A. These assumptions, which include: management's current expectations; estimates and assumptions about certain projects and the markets we operate in; the global economic environment; interest rates; the successful and timely implementation of capital projects; our ability to generate sufficient cash flow from operations to meet our current and future obligations and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities; the impact of increasing competition; our ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects in which we have an interest to operate the field in a safe, efficient and effective manner; future commodity prices; currency, exchange and interest rates; taxes and environmental matters in the

jurisdictions in which we operate may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking information and statements, including, but not limited to: the failure of the Company to execute our business plans; general economic conditions as they affect us; risks arising from our operations generally; competition; accuracy of cost estimates; fluctuations in commodities prices; fluctuations in product supply and demand; risks associated with technology and its application to our business; changes in the applicable regulatory framework, including changes in regulatory approval process and land-use designations, tax, environmental, and other laws or regulations, or changes associated with compliance; the loss of key management employees; our ability to control our operating costs, general administrative and other expenses; other factors beyond our control; insufficient investor interest in our securities which may impact on our ability to raise additional financing as required; and those factors described in the section titled "Risk Factors" in this MD&A.

The forward-looking information is based on the estimates and opinions of our management at the time they are made. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Readers of this MD&A are cautioned not to rely on these forward-looking information and statements. The forward-looking information in this MD&A is made as of November 28, 2014 and the Company assumes no obligation to update or revise them to reflect new events or circumstance, except as required by law.

### **Description of Business**

Brisio is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "BZI".

Formerly a natural resource exploration company focused on the discovery and development of mineral and oil and gas properties, Brisio ceased activity in the natural resource industry in 2013.

Brisio is now focused on the acquisition, development and marketing of software applications for mobile computing devices, including smart phones, tablets, smart TVs and wearable computers.

### **Overall Performance**

The Company launched a new business unit targeting the smart device market, which currently includes smart phones, tablets and smart TVs and wearable computers.

For the nine-month period ending September 30, 2014, the Company generated \$60,072 (2013 - \$nil) in gross revenue from the sale of mobile software applications, had a working capital deficit of \$22,803 (December 31, 2013 – working capital of \$118,516) and an accumulated deficit at September 30, 2014 of \$20,397,756 (December 31, 2013 – \$20,036,281). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time.

### **Mobile Software Applications:**

On December 19, 2013, the Company completed its initial app acquisition by purchasing all rights, intellectual property and online assets associated with the "On the Fly – Voice Translator" mobile application. "On the Fly" is a simple to use voice translator application that allows a person to translate voice and text "on the fly". The application recognizes speech and text and translates into over 70 supported languages. The app is available for iPhones and iPads and can be purchased on iTunes and the Apple App store for \$2.99. The Company feels the market potential for a simple and quick translation system is substantial, and with over 150,000 worldwide downloads, Brisio has inherited a robust user base for the marketing of future acquired applications. This app acquisition is consistent with Brisio's new strategic direction.

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications. This portfolio focuses on health and wellness and gaming apps, and has an established and growing user base, which currently generates consistent monthly cashflow.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver. Boostify tunes Android mobile phones for extra speed and maximum system memory and it stops unwanted apps from using internet bandwidth and draining battery. As such, it allows users to boost memory, free up RAM, reduce CPU load and save battery life, all with one easy click. Boostify has been downloaded over 150,000 times

On March 27, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that has been one of the most highly downloaded and played games on Android and IOS since its release earlier this year. The Company paid the vendor US\$135,137 (C\$149,462) as consideration for these assets.

#### ***Oil & Gas – Columbia River Basin, Washington:***

In 2007, the Company acquired and continues to retain a 7.5% working interest in undeveloped leases in the Columbia River Basin of south central Washington. The Company currently retains an interest in approximately 3,300 undeveloped gross mineral acres. As a consequence of negative results from two unsuccessful exploratory gas wells, the Company has written off the value of the Columbia River Basin properties.

Ongoing global economic instability has had a significant negative impact on many segments of the world economy due to many factors including, without limitation: the effects of the subprime lending and general credit market crises, the European debt crisis, volatile energy costs, slower economic activity, decreased consumer confidence, reduced corporate profits and capital spending, adverse business conditions, increased unemployment and liquidity concerns. We cannot predict the timing or duration of economic slowdowns or the timing or strength of subsequent economic recoveries, worldwide or in our industry, and we cannot predict the extent to which economic slowdowns will impact our business. However, the uncertainty regarding the financial markets and worldwide political and economic climates are expected to likely have a negative impact on our business, financial condition and results of operations.

#### ***Mining – Argentina, Toruel property:***

In March 2011, the Company entered into an option agreement (the "**Agreement**") with Marifil Mines Ltd. ("**Marifil**") whereby Marifil granted the Company an option (the "**Option**") to acquire up to a 75% interest in Marifil's Toruel property located in the Rio Negro Province of the Republic of Argentina (the "**Property**").

On September 19, 2012, the Company and Marifil Mines Ltd. entered into an assignment and purchase agreement, whereby the Company agreed to purchase all of Marifil's 100-per-cent interest in the Toruel copper-silver project, located in the Rio Negro province of Argentina, and all exploration data related thereto.

On November 26, 2012, the Company announced the assignment and purchase agreement dated September 19, 2012 was terminated. The Toruel property was returned to Marifil. Consequently, the Company wrote off the full value of the property as at September 30, 2012.

#### **Quarterly Financial Information**

The following table contains a summary of our financial results for the three-month and nine-month periods ended September 30, 2014 and 2013:

	Three-month period ended September 30		Nine-month period ended September 30	
	2014	2013	2014	2013
(C\$)				
Gross Revenues	12,496	-	60,072	-
Net Income (Loss) for the Period	(95,964)	(309,733)	(361,475)	(343,639)
Basic and Diluted Net Income (Loss) per Share	0.00	(0.03)	(0.02)	(0.04)
Total Assets	322,552	123,215	322,552	123,427
Total Long-Term Financial Liabilities	-	-	-	-

The discussion and analysis of our financial condition and results of operations is based on our Interim Financial Statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Application of IFRS requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the revenues and expenses reported during the period. Changes in these estimates, judgments and assumptions will occur as a result of future events, and accordingly, actual results could differ from amounts estimated. Our reporting currency is Canadian dollars.

### Discussion of Operations

#### ***Nine-month period ended September 30, 2014 compared to the nine-month period ended September 30, 2013:***

Our net loss for the nine-month period ended September 30, 2014 increased to \$361,475 compared to a net loss of \$343,639 for the same period in 2013. The increased loss is primarily due to the amortization of software applications of \$50,074 in 2014 compared to \$nil in 2013, the issuance of 48,000 bonus shares at a cost of \$14,400 compared to \$nil in 2013, management fees of \$100,000 paid in 2014 compared to \$61,500 in 2013, and consulting fees for application development of \$20,753 in 2014 compared to \$nil in 2013.

General and administrative expenses increased to \$398,407 in the nine-month period ended September 30, 2014 compared to \$340,018 for the same period in 2013. Professional fees increased to \$66,624 for the nine-month period ended September 30, 2014 compared to \$33,231 for the same period in 2013. The Company had a foreign exchange loss of \$8,907 in the nine-month period ended September 30, 2014 compared to a loss of \$3,860 for the same period in 2013.

Intangible mobile software applications increased to \$187,172 for the nine-month period ended September 30, 2014, compared to \$53,975 at December 31, 2013 due to the Company's purchase of all rights, intellectual property and online assets associated with the “On the Fly – Voice Translator” iOS mobile application (“app”) for US\$50,000 (C\$53,975), a portfolio of health and wellness and gaming apps for US\$21,000 (C\$23,428), Android speed booster app “Boostify” for US\$3,000 (C\$3,341), and the gaming app “Spermy’s Journey, A Race To The Egg!” for US\$135,137 (C\$149,462).

Share capital increased to \$19,645,858 as of September 30, 2014, from \$19,334,037 at December 31, 2013, as a result of the exercise of 100,000 options at \$0.15 per share, the closing of a financing of 960,998 units at \$0.30 per unit, the issuance of 48,000 bonus shares and the exercise of 33,333 share purchase warrants at \$0.10 per share.

Contributed surplus increased to \$961,921 as at September 30, 2014 compared to \$874,735 at December 31, 2013 as a result of shared-based compensation expense for 300,000 options issued to officers, directors and consultants.

For the nine-month period ended September 30, 2014, the Company had a working capital deficit of \$22,803 (December 31, 2013 – working capital of \$118,516) and an accumulated deficit at

September 30, 2014 of \$20,397,756 (December 31, 2013 - \$20,036,281). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time.

In August 2013, the Company obtained an aggregate of \$60,000 in loans (the "Loan") whereby the lenders (the "Lenders") agreed to loan such funds to the Company in consideration for the Company issuing as a bonus, an aggregate of 48,000 common shares of the Company to the Lenders. The Loan was for a term of twelve months, bore interest at a rate of 12% per annum, before and after maturity and was renewable by the parties for additional terms as may be mutually agreed to by the parties. Steve Vestergaard, a director of the Company, was one of the Lenders and loaned the Company \$50,000. The Loan was paid back in full in October 2013. The bonus shares were issued on April 14, 2014.

On January 9, 2014, Green River Petroleum (USA) Inc. (Wyoming) was administratively dissolved by the State of Wyoming. The Company will not be applying for a certificate of reinstatement.

On January 14, 2014, Mr. Danny Robinson joined the Company's advisory board. Mr. Robinson is an experienced tech entrepreneur and executive and is the founder and CEO of Perch, the first hands-free, always-on video communication app company. Prior to starting with Perch, Mr. Robinson was CEO of the BC Innovation Council, a government corporation supporting entrepreneurship in the Province of British Columbia, and co-founder of Bootup Labs, an internet seed accelerator which, during his time there, invested and mentored eight new companies, including Summify (acquired by Twitter) and Layerboom (acquired by Joyent). Mr. Robinson is Chairman and a co-founder of Strutta, a social promotions platform for developing and managing interactive contests and promotions. Mr. Robinson was also a co-founder and CEO of Peerflix, a DVD swapping service, and Spinway, a free dial-up internet service provider. As an experienced entrepreneur, Mr. Robinson works to promote British Columbia as the tech centre he believes it can be by connecting local entrepreneurs with Silicon Valley-based investors and mentors. To this end, he co-organizes the popular tech mixer, Launch Party Vancouver.

On January 16, 2014, Mr. Yoshitaro Kumagai joined the Company's advisory board. Mr. Kumagai has a wealth of experience and an outstanding track record of success in various sectors of the technology industry. He is a highly respected executive with over twenty years of experience in the electronics and consumer fields. Mr. Kumagai has held senior management positions at a number of successful international companies, including chairman and CEO of Vivitar Corporation. Mr. Kumagai is an advisor and/or co-founder of a number of successful technology start-up companies, including San Francisco, CA based Fitbit Inc., the maker of a multi award winning line or wireless enable wearable devices. Since 2001, Mr. Kumagai has been a director of Destiny Media Technologies Inc. a provider of products and services that enable content owners to securely display and distribute audio and video content digitally through the internet. Mr. Kumagai has been an advisor to both domestic and international start-ups and corporations. He was an original member and advisor to Pure Digital Inc., which was acquired by Cisco Systems Inc. in 2009 for \$590 million after which time Mr. Kumagai joined Cisco as a senior advisor. Mr. Kumagai was an original member of Picture Vision, a provider of virtual photo content distribution systems to PC and mobile phones. As a senior advisor in charge of business development and mergers and acquisitions, he helped establish their Japanese subsidiary. The company was later sold to Kodak for \$200 million. In addition, Mr. Kumagai was co-founder of Bayes Japan, a leading Japanese cellular phone content developer. The company developed more than 50 games in Japan including multi-player games for i-mode and AU. All games were approved by Docomo for listing in their official game list, including games such as DragonQuest-Monsters, DragonQuest-LotoCity and Chinmoku-no-Kantai from Kodansha. The company was acquired by Tose, one of Japan's leading game developing companies. Mr. Kumagai also holds the position of senior advisor to Catch Media Inc. Catch Media is the developer of Play Anywhere\*, a modular and robust cloud-based B2B registry, tracking, routing and clearinghouse

service that can be implemented across multiple ecosystems. Mr. Kumagai holds a BS in Mechanical Engineering from Hosei University and a BC in Information Systems and Mathematics from Georgia State University.

At the close of trading on Tuesday, February 11, 2014, the Company's common shares were delisted from the TSX Venture Exchange and commenced trading on the CSE at market open on Wednesday, February 12, 2014.

On February 12, 2014, the Company completed its name change to Brisio Innovations Inc. and the continuance of its corporate jurisdiction from Alberta to British Columbia.

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications. This portfolio focuses on health and wellness and gaming apps, and has an established and growing user base, which currently generates consistent monthly cashflow. The portfolio consists of apps that generate both purchase and advertising revenue.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver. Boostify tunes Android mobile phones for extra speed and maximum system memory and it stops unwanted apps from using internet bandwidth and draining battery. As such, it allows users to boost memory, free up RAM, reduce CPU load and save battery life, all with one easy click. Boostify has been downloaded over 150,000 times.

On February 28, 2014, the Company granted stock options to certain of its directors, officers and consultant to purchase a total of 300,000 common shares of the Company pursuant to the terms of the Company's stock option plan. All options are exercisable at a price of \$0.30 per share for five years.

On February 28, 2014, a total of 477,500 warrants at a price of \$1.10 expired.

On March 2, 2014, an additional 166,000 warrants at a price of \$1.10 expired.

On March 7, 2014, Mr. Michael Sweatman resigned at the Company's Chief Financial Officer, Secretary and Director.

On March 7, 2014, Mr. Scott MacEachern was appointed as the Company's new Chief Financial Officer and Secretary. Mr. MacEachern is a Chartered Accountant with extensive public company finance experience. Currently the founder of the accounting firm LedgerLiberty Solutions Inc., Mr. MacEachern also develops productivity applications for accountants and teaches for the Vancouver School Board. Mr. MacEachern spent the previous years as Controller for multiple companies listed on the TSX and TSXV exchanges, and was responsible for regulatory compliance, financial statement and tax return preparation, as well as coordination of external audits. Prior to this, Mr. MacEachern spent several years at Ernst & Young leading audits of companies in the technology, mining and investment industries.

On March 14, 2014, the Company entered into a non-binding letter of intent (the "**LOI**") with OakBranch Media Inc. ("**OakBranch**") to acquire up to 100% of the issued and outstanding securities of OakBranch and its underlying assets (the "**Transaction**"). OakBranch is an integrated media company with its main assets being the Good e-Reader website, a leading website specializing in e-Reader, eBook and Digital Publishing News, which has over 230,000 unique visitors per month, and the Good e-Reader App Store, which with over 35,000 apps, 420,000 unique visitors and 7 million page views per month, is the largest independent Android and Blackberry alternative app store in Canada. OakBranch also operates its own video studio and YouTube channel. Brisio will undertake the Transaction on the following terms:

- (a) in consideration for aggregate cash payments of \$130,000, to be paid by Brisio to OakBranch upon the achievement of certain milestones by OakBranch to be determined

- by Brisio and specified in the definitive agreement to be entered into between Brisio and OakBranch with respect to the Transaction (the "**Definitive Agreement**"), Brisio will acquire securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio a 30% voting and equity interest in OakBranch;
- (b) OakBranch will grant Brisio an option, that will expire one year from the date of closing of the Definitive Agreement (the "**Closing**"), to acquire additional securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio an additional 19.9% voting and equity interest in OakBranch, bringing Brisio's total interest in OakBranch to 49.9%, exercisable upon: (i) the issuance by Brisio to OakBranch of 250,000 common shares of Brisio (each, a "**Brisio Share**"), and (ii) the payment of \$75,000 by Brisio to OakBranch; and
  - (c) OakBranch will cause each of the shareholders of OakBranch (collectively, the "**OakBranch Shareholders**") to grant Brisio a right of first refusal to acquire the remaining 50.1% of the outstanding voting and equity interests of OakBranch from time to time the OakBranch Shareholders on terms to be specified in the Definitive Agreement.

On March 12, 2014, 100,000 stock options were exercised for total proceeds of \$15,000.

On March 27, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that has been one of the most highly downloaded and played games on Android and IOS since its release earlier this year. The Company paid the vendor US\$135,137 (C\$149,462) as consideration for these assets.

In April 2014, the Company purchased all rights and intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that had been one of the most highly downloaded and played games on Android and IOS since its release earlier in the year. The Company paid the vendor US\$135,137 as consideration for these assets.

Mr. Brian Appell, the developer of Spermy's Journey, will be joining the Company's board of advisors. Mr. Appell is a veteran tech entrepreneur and mobile app developer, and founder of Avalanche Mountain Apps, a mobile application company that focuses primarily on creating games for the iPhone, iPad and Android devices.

On April 10, 2014, the Company completed its non-brokered private placement financing pursuant to which it has issued 960,998 units (each, a "**Unit**") at a price of \$0.30 per Unit for gross proceeds of \$288,299. Each Unit consists of one common share of the Company (each, a "**Share**") and one-half of one share purchase warrant (each, a "**Warrant**"). Each whole warrant entitles the holder thereof to purchase one additional Share at a price of \$0.45 per Share for a period of one year from closing of the Financing, subject to an acceleration provision whereby, in the event that the Shares trade above \$0.60 per Share for a period of ten consecutive trading days, the Company may accelerate the expiry date of the Warrants to a date that is thirty days after the completion of such period. The proceeds of the Financing will be used for general working capital. The Company paid a finder's fee of \$9,600 to Canaccord Genuity Corp. for the introduction of certain subscribers to the Financing. The securities issued in connection with the Financing are subject to a hold period of four months and one day under applicable Canadian Securities laws. None such securities have been or will be registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), and none of them may be offered or sold to the United States absent registration or pursuant to an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

Per the August 2013 loan agreements, a total of 48,000 bonus shares were issued on April 14, 2014.

On April 28, 2014, 33,333 outstanding warrants were exercised at a price of \$0.10 per share.

In June 2014, the Company executed a Definitive Agreement to acquire up to 100% of the issued and outstanding securities of OakBranch Media and its underlying assets. The specific terms of the acquisition are detailed above on page 7, under the section "Discussion of Operations".

Also in June 2014, the Company entered into a strategic relationship with Newnote Financial Corp. ("**Newnote**") (SEC: NEU) to help develop and implement a Bitcoin Virtual Currency payment system for the Company's Good e-Reader Appstore. Upon completion, the Company expects that the Good e-Reader Appstore will be the largest independent Appstore in the world to allow Bitcoin and/or virtual currency transactions. In addition, through its associate, OakBranch Media, the Company has agreed to assist in marketing and distributing Newnote's new bitcoin app "CoinExchange" through the Good e-Reader website, Appstore, and other OakBranch Media assets. OakBranch offers a variety of marketing services to app developers and publishers to help distribute their products worldwide. CoinExchange allows investors to trade Bitcoin in a fashion similar to a stock exchange. It supports multiple order types and allows investors to enter multiple concurrent orders which are automatically executed when the criteria is met. It allows investors to get a better buy and sell prices by allowing more control over the conditions under which the Bitcoins are sold without having to always be watching the Bitcoin prices. Newnote is pioneering innovative crypto-currency and Bitcoin related software products and services geared at the growing business segment of this burgeoning market. Newnote has positioned itself to be a leading contender in delivering opportunities to startup business world-wide and continues to create new opportunities for its clients and its shareholders.

### **Third Quarter**

#### ***Three-month period ended September 30, 2014 compared to the three-month period ended September 30, 2013:***

Our net loss for the three-month period ended September 30, 2014 decreased to \$95,964 compared to a net loss of \$309,733 for the same period in 2013. The decreased loss is primarily due to the share-based compensation expense of \$170,725 in the three-month period ended September 30, 2013 compared to \$nil in the current period.

General and administrative expenses decreased to \$98,628 in the three-month period ended September 30, 2014 compared to \$306,855 for the same period in 2013. The decrease in general and administrative expenses is primarily due to the share-based compensation expense of \$170,725 in the three-month period ended September 30, 2013 compared to \$nil in the current period. Professional fees decreased to \$15,657 for the three-month period ended September 30, 2014 compared to \$25,259 for the same period in 2013. The Company had a foreign exchange loss of \$4,510 in the three-month period ended September 30, 2014 compared to a loss of \$2,902 for the same period in 2013.

On July 31, 2014, the Company held its annual general meeting of shareholders and all resolutions placed before the shareholders were voted in favour.

In August 2014, the Company's associate, OakBranch, ("**Good e-Reader**") partnered with ICARUS, a Netherlands based e-reader company to bring a brand new curated Android App Store to the recently launched Illumina series e-reader. The Illumina is the world's first e-reader with the Google Android 4.2 operating system which enables users to install their own apps. This leading edge e-reader has been very well received, with both the press and digital readers alike praising the 'open' Android OS and the ability to install reading apps and games. Good e-Reader has been chronicling the electronic reader space since 2008 and has become one of the most influential news sites on the internet. Their Android App Store has over 35,000 e-reading, comic, newspaper, magazine and eBook apps in their catalog. All ICARUS Illumina e-Readers produced as of September 2014, will come with the Good e-Reader App Store pre-installed. Owners of devices produced before September can download the installation file from the ICARUS website (in the downloads section) and install the app themselves.



### Summary of Quarterly Results

The following table presents selected unaudited consolidated financial information for the last eight quarters:

(C\$)	2014			2013				2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Gross Revenues	12,496	38,402	9,174	-	-	-	-	-
Net Income (Loss) for the Period	(95,964)	(102,717)	(162,790)	(39,642)	(309,733)	(25,831)	(33,906)	(57,794)
Basic & Diluted Income (Loss) per Share – Continuing Operations	0.00	(0.01)	(0.01)	(0.00)	(0.03)	0.00	0.00	(0.01)
Basic & Diluted Income (Loss) per Share	0.00	(0.01)	(0.01)	(0.00)	(0.03)	0.00	0.00	(0.01)

### Liquidity and Capital Resources

Cash and cash equivalents at September 30, 2014 totaled \$38,148 compared to \$238,302 as at December 31, 2013.

As of September 30, 2014, the Company had a working capital deficiency of \$22,803 compared to a working capital of \$118,516 as at December 31, 2013.

At September 30, 2014, the Company had a cash and cash equivalents balance of \$38,148, accounts receivable of \$35,524 and goods and services tax recoverable of \$2,114 to settle current liabilities of \$112,529.

The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In March 2014, 100,000 options were exercised at a price of \$0.15.

In April 2014, the Company completed a non-brokered private placement financing of 960,998 units at a price of \$0.30 per unit for gross proceeds of \$288,299.

Also in April 2014, 33,333 warrants were exercised at a price of \$0.10.

### Off-Balance Sheet and Other Financial Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

We do not have any commitments under contracts or other types of hedging arrangements which might expose us to commodity price or production volume risks.

We do not have in place any off-balance sheet financing type arrangements.

### Transactions between Related Parties

During the nine-month period ending September 30, 2014, directors of the Company billed management fees totaling \$100,000.

## **Proposed Transactions and Subsequent Events**

In October 2014, the Company entered into a non-binding Letter of Intent to acquire certain assets owned by Austin Legate Church, doing business as "Bright Newt." Over the past three years, Bright Newt has built a portfolio of mobile apps and other app-related products. Bright Newt's portfolio features various iOS and Android apps, including Viva Match Battle, published in mid-June 2014, as well as an iOS app marketing guide, app development tutorials, a source code marketplace, and a range of development tools. Under the terms of the Letter of Intent, Brisio will issue to Mr. Church 500,000 shares of the company at the closing of a Definitive Agreement. The Company will also be entering into an employment agreement with Mr. Church and will, subject to regulatory approval, issue 200,000 options at \$0.20.

Subsequent to the nine-month period ending September 30, 2014, 100,000 warrants were exercised at a price of \$0.10 per share.

## **Critical Accounting Estimates**

The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain. As the number of variables and assumptions affecting the probable future resolution of the uncertainties increase, these judgments become even more subjective and complex. We have identified certain accounting policies that are the most important to the portrayal of our current financial condition and results of operations.

The key elements and assumptions that we have made under these principles and their impact on the amounts reported in the September 30, 2014 Interim Financial Statements remain substantially unchanged from those described in our December 31, 2013 annual audited financial statements.

Please refer to Note 3 of our Interim Financial Statements for our Significant Accounting Policies.

The significant accounting policies that we use are disclosed in the notes to our Interim Financial Statements for the quarter ended September 30, 2014. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The following discussion outlines such accounting policies and is included in the MD&A to aid the reader in assessing our significant accounting policies and practices of our Company and the likelihood of materially different results being reported. Our management reviews its estimates regularly.

The following significant accounting policies outline the major policies involving critical estimates:

### ***Intangible assets***

Intangible assets are recorded at cost upon acquisition and are depreciated over their estimated lives. Depreciation is expensed over the estimated useful life of the assets using the straight-line method. The Company monitors events and changes in circumstances which require an assessment of recoverability. If the carrying amount of the intangible assets is not recoverable, an impairment loss is recognized in the statement of operations, determined by comparing the carrying amount of the asset to its fair value. The adoption of this policy is due to the purchase of mobile software applications and is consistent with the Company's new strategy. The adoption of this policy has no impact on prior year financial information.

### ***Revenue recognition***

The Group derives revenues from the sale of software and mobile applications through various platforms. The Group recognizes revenue when all of the following conditions are satisfied: (i) significant risks and rewards have transferred to the buyer; (ii) the Company no longer retains managerial involvement or effective control over the goods sold; (iii) the fee amount of revenue can be measured reliably; (iv) it is probable the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

According to IAS 18-7/18-8, a business which is acting as a principal in a transaction recognizes the amounts billed to the end client as revenue. In order to determine if a business is acting as a principal or as an agent, the risks and responsibilities taken by the business to deliver the goods or render the services should be evaluated.

In this regard, the Group referred to IAS18.IE21, which provides a list of indicators to determine whether a business is acting as a principal or an agent.

For every contract signed, the Group examines its characteristics in order to determine whether it is appropriate to recognize the net or gross revenue from services rendered by agents.

The adoption of this policy is due to the purchase of mobile software applications and is consistent with the Company's new strategy. The adoption of this policy has no impact on the current or prior year financial information.

### ***Impairment:***

Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

***Income Tax Accounting:***

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

***Share-Based Payments:***

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

***Legal, Environmental Remediation and Other Contingent Matters:***

We are required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can reasonably be estimated. When the loss is determined, it is charged to earnings. Our management must continually monitor known and potential contingent matters and make appropriate provisions by charges to earnings when warranted by circumstance.

***Investments in Associates Policy Adoption***

The adoption of this policy is due to the investment in OakBranch Media Inc., consistent with the Company's strategy. The adoption of this policy has no impact on prior year financial information.

An associate is an entity over which the Company has significant influence. If the Company holds, directly or indirectly (i.e. through subsidiaries), 20% or more of the voting power of the investee, it is presumed the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

If the Company has significant influence over an investee, it must account for its investment in an associate using the equity method. Under the equity method, on initial recognition, the investment in an associate is recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognized in the Company's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. It may also be necessary to adjust the carrying amount for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The Company's share of those changes is recognized in the investor's other comprehensive income.

### New Accounting Standards and Interpretations Not Yet Adopted

IFRS 9	<i>Financial Instruments: Classification and Measurement</i>
IFRS 10 (Amendment)	<i>Consolidated Financial Statements</i>
IFRS 11 (Amendment)	<i>Joint Arrangements</i>
IFRS 14	<i>Regulatory Deferral Accounts</i>
IAS 16 (Amendment)	<i>Property, Plant and Equipment</i>
IAS 27 (Amendment)	<i>Separate Financial Statements</i>
IAS 28 (Amendment)	<i>Investments in Associates and Joint Ventures</i>
IAS 38 (Amendment)	<i>Intangible Assets</i>
IAS 41 (Amendment)	<i>Agriculture</i>
The Company anticipates that the application of these standards and amendments on their effective dates, will not have a material impact on the condensed interim consolidated results and financial position of the Company	

### Financial Instruments and Other Instruments

Our Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of our Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process.

Please refer to Note 4 and 5 of our Interim Financial Statements for additional details on our Financial Instruments and Other Instruments.

### Risk Factors

**Risks Related to Failure to Implement the Development Plan:** The Company forecasts increasing sales in the coming years. Failure to achieve this anticipated success within a certain time period could adversely affect the market value of Brisio's shares.

**Risks Related to Contractors:** The Company's success hinges on such factors as the performance and training of its developers. The development of new technology and the desire to produce more creative and innovative mobile software applications require specific expertise. Brisio could face challenges in terms of recruiting experienced individuals with specialised technical skills to ensure its growth.

**Risks Related to the Departure of Key Employees and Contractors:** The Company's success is closely linked to its ability to maintain a relationship with its key employees and contractors. If, for whatever reason, they leave or become unavailable for an extended period, this could have an impact on the Company.

The Company's future success will also depend on its ability to attract, train, retain and motivate very technically skilled employees and contractors. Losing one or more key employees, managers, or contractors, or failing to attract new highly skilled staff could have a significant negative impact on the Company's revenue, earnings and financial position. The Company is organised today in such a way as to minimise risk related to the departure or extended unavailability of key employees or managers. One measure aimed at reducing this risk is stock option plans.

**Risks Related to Dependence on Clients:** Brisio has partners that are responsible for distributing its mobile software applications to consumers around the world. Despite the existence of diverse partners, Apple and Google are expected to generate the majority of the Company's revenue.

**Risks Related to Dependence on Suppliers and Subcontractors:** The Company works with several suppliers around the world and has not identified any major risks related to dependence on any supplier in particular.

The Company has no significant financial dependence on its subcontractors or suppliers that is likely to affect its development plan.

**Risks Related to Changes in Technology:** Brisio is part of a very competitive market, marked by quickly changing technologies that require serious investment in research and development and are subject to economic fluctuations.

Like all publishers, Brisio is dependent on technological advances. In order to remain competitive, it is essential for a publisher to properly anticipate market tendencies and choose the right development format for a mobile software application. This selective and strategic choice is very important relative to the amounts invested. An inappropriate choice could have negative consequences on expected revenue. However, Brisio still remains proficient in the necessary technologies and has the resources it needs to adapt to technological changes in its core business.

**Risks Related to Information Systems and Computer Security:** Despite the integration systems implemented, Brisio is not entirely protected from computer abuse, intrusions, problems with network user identification, and so on. Changes in regulations, the implementation of new mobility solutions, the spread of viruses and increased use of the Internet are just a few reasons why global security solutions need to be put in place. Information is a strategic resource of considerable value and must therefore be protected in an appropriate manner. Information system security protects information from these threats to ensure business continuity. Security measures are aimed at guaranteeing the confidentiality, integrity and availability of information.

**Risks Related to Growth Management:** The Company's ability to manage its growth effectively will require it to implement, improve and make effective use of all its resources. Any significant growth in activity could subject the Company, its managers and its teams to a great deal of pressure. In particular, the Company must continue to develop its infrastructure and financial and operating procedures, replace or upgrade its information systems and recruit, train, motivate, manage and retain key employees and contractors. The management team's inability to manage growth effectively would have a significant negative impact on the Company's revenue, earnings and financial position.

**Litigation – Legal Proceedings and Arbitration:** There are no government, court or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or with which it is threatened, that could have or have had a significant impact on the financial position or profitability of the Company over the past 12 months, although there is always the possibility that such proceedings could arise.

**Regulatory Environment:** The Company, like all mobile software application publishers, must abide by a number of national regulations, notably concerning content and consumer protection. Non-compliance with these regulations can have a negative impact on sales (delayed release or recalling of products from the market, for example).

Brisio has developed tools and set up the necessary procedures to comply with local laws and regulations regarding consumer protection, including making information on content accessible to consumers. Compliance with the regulatory environment also involves an internal policy aimed at fighting corruption in all its forms.

**Intellectual Property Risks:** Brisio's mobile software application catalogue is protected by intellectual property rights. This catalogue's success, however, could lead to attempts at copying and piracy. To prevent this risk, the Company must implement a permanent monitoring system and act quickly when illegal copies are placed online.

**Currency Fluctuations:** We maintain our deposit accounts in U.S., Argentinean and Canadian currencies and we are therefore subject to currency fluctuations. These currency fluctuations could materially affect our financial position and results. We do not engage in currency hedging activities.

**Inflation Risk in Argentina:** Argentina has a history that includes high rates of inflation. This can affect the Company by increasing the cost of doing business in Argentina as well as decreasing the real value of the Argentine pesos kept in the Company's bank account in Argentina. The Company limits the risk of inflation by limiting the amount of funds kept in its Argentinean bank account. The Company only transfers to the Argentinean subsidiary the funds necessary to pay current liabilities and does not maintain any large bank account balances in Argentina.

**Need to Manage Growth:** We could experience rapid growth in production, revenues, personnel, complexity of administration and in other areas. There can be no assurance that we will be able to manage the impact that future growth could place on our administrative infrastructure, systems, and controls. If we are unable to manage future growth effectively, our business, operating results and financial condition may be materially and adversely affected.

**Reliance on Key Personnel/Employees:** The Company's success is largely dependent upon the performance of its directors and officers. As of February 2014, the Company has a C\$1,000,000 Directors' and Officers' liability insurance policy. The loss of service of any director or officer could have a materially adverse effect on the Company.

**Financial Risks:** Financial risks include changing interest rates, which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

**Conflicts of Interest:** Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors or officers will be in direct competition with our Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of our directors and officers are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to our Company and their duties to the other companies on whose boards they serve, the directors and officers of our Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial ability and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers; and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to our Company except on the same or better terms than the basis on which they are offered to third party participants.



### Outstanding Share Data

Our common shares are listed for trading on the CSE under the symbol "BZI".

*As at September 30, 2014, we have the following securities outstanding:*

Class of Shares	Par Value	Number Authorized	Number Issued
Common	Nil	Unlimited	19,877,309
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	55,000	\$0.60	March 4, 2016
Options	20,000	\$0.825	April 28, 2016
Options	90,000	\$0.75	October 18, 2016
Options	750,000	\$0.15	September 27, 2018
Options	300,000	\$0.30	February 28, 2019
Warrants	8,000,000	\$0.10	October 3, 2015
Warrants	1,299,998	\$0.10	October 24, 2015
Warrants	480,499	\$0.45	April 10, 2015

*As at the date of this MD&A, we have the following securities outstanding:*

Class of Shares	Par Value	Number Authorized	Number Issued
Common	Nil	Unlimited	19,977,309
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	55,000	\$0.60	March 4, 2016
Options	20,000	\$0.825	April 28, 2016
Options	90,000	\$0.75	October 18, 2016
Options	750,000	\$0.15	September 27, 2018
Options	300,000	\$0.30	February 28, 2019
Warrants	8,000,000	\$0.10	October 3, 2015
Warrants	1,199,998	\$0.10	October 24, 2015
Warrants	480,499	\$0.45	April 10, 2015

There are no common shares held in escrow or subject to pooling.

### Additional Information

Additional information relating to our Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). We also maintain a web site at [www.brisio.com](http://www.brisio.com) and an email address [support@brisio.com](mailto:support@brisio.com) for shareholder communication. Our phone number is (604) 644-0072.